



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Fifth District

December 18, 2007

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

WASHINGTON, D.C. UPDATE

Federal Fiscal Year (FFY) 2008 Appropriations

On December 17, 2007, the House passed H.R. 2764, an omnibus FFY 2008 appropriations bill, which adheres to the President's overall discretionary spending target of \$933 billion for FFY 2008. To date, only one (Defense) of the 12 FFY 2008 appropriations bills has been enacted. Funds for all of the remaining 11 appropriations bills were included in H.R. 2764.

The White House has released a Statement of Administration Policy which indicates that the President would veto H.R. 2764 in its current form because it does not provide sufficient funding for the "Global War on Terror" and includes an explicit prohibition against the use of funds for the war in Iraq. The statement also indicated that the Administration is pleased that Congress has reduced total regular discretionary funding for FY 2008 from \$955 billion to \$933 billion. The Senate is expected to amend the bill to include Iraq funding that would be acceptable to the President before passing and sending it back to the House for a final vote.

In order to meet the President's lower discretionary spending target, the omnibus appropriations bill scaled back or eliminated spending increases that were included in the previous House or Senate-passed FY 2008 appropriations bills. Most programs of County interest would be funded at or near the FFY 2007 funding level. The bill includes \$50 million for a new interoperable communications grant program administered by the Department of Homeland Security and \$20 million for COPS Hiring Grants, which did not receive any funding in FFY 2007. Other funding increases for programs of County interest include the following:

- State Criminal Alien Assistance Program increase from \$400 million in FFY 2007 to \$410 million in FFY 2008;
- Urban Area Security Initiative Grants from \$770 million to \$820 million;
- Emergency Management Performance Grants from \$200 million to \$300 million;
- Community Service Employment for Older Americans from \$484 million to \$522 million;
- Overall Older Americans Act nutrition funding from \$735 million to \$758 million;
- Community Services Block Grant from \$630 million to \$654 million;
- Homeless Assistance Grants from \$1.442 billion to \$1.586 billion; and
- Public Housing Operating Fund from \$3.86 billion to \$4.20 billion.

The bill also includes an increase for Ryan White AIDS Emergency Assistance from \$604 million to \$627 million in FFY 2008. This funding increase was included to ensure that language in the bill, which guarantees that each metropolitan area will receive at least 86.6 percent of its FFY 2007 allocation, will not reduce the amount of funds available to areas that do not qualify for such hold harmless funding. San Francisco is the main beneficiary of this hold harmless provision.

The Byrne Justice Assistance Grant (JAG) is the only program of major interest to the County that received a significant reduction in percentage terms. Formula JAG funding is reduced from \$520 million to \$166 million in H.R. 2764. This major reduction was unexpected because the Senate and House versions would have increased JAG funding by \$75 million and \$80 million, respectively. In FFY 2007, the County received a direct JAG allocation of \$2.6 million and more than \$2.8 million in JAG funding from the State's allocation. Other funding decreases for programs of County interest include the following:

- Community Development Block Grant from \$3.711 billion to \$3.593 billion;
- HOME Investment Partnership Formula Grant from \$1.690 billion to \$1.628 billion;
- Maternal and Child Health Block Grant from \$693 million to \$666 million; and
- Mental Health Block Grant, Preventive Health Block Grant, Child Welfare Services, Family Caregivers Grant, and the Workforce Investment Act Adult, Youth, and Dislocated Worker Grants were cut by 1.747 percent below their FFY 2007 funding levels.

H.R. 2764 also includes funding for Army Corps of Engineers projects in the County, including \$2,359,000 for Marina del Rey dredging and \$4,239,000 for operations and maintenance of the Los Angeles County Drainage Area. In addition, the bill includes a \$250 million rescission of unexpended Workforce Investment Act funds from FFYs 2005 and 2006.

We will provide your Board with a more detailed summary of the final version of the bill which ultimately is cleared for the President's signature.

WTF:GK
MAL:MT:hg

c: All Department Heads
Legislative Strategist